

[6450-01-P]

DEPARTMENT OF ENERGY

[FE Docket No. 10-110-LNG]

Sempra LNG Marketing, LLC; Application for Blanket Authorization to Export Liquefied Natural Gas

AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of application.

SUMMARY: The Office of Fossil Energy (FE) of the Department of Energy (DOE) gives notice of receipt of an application, filed on September 2, 2010, by Sempra LNG Marketing, LLC (Sempra), requesting blanket authorization to export up to a total of 250 billion cubic feet (Bcf) of foreign sourced liquefied natural gas (LNG) for a two year period commencing on February 1, 2011. The LNG would be exported from the Cameron LNG Terminal (Cameron Terminal) owned by Sempra's affiliate, Cameron LNG, LLC, in Cameron Parish, Louisiana to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy, over a two year period commencing on the date of the authorization.

The application was filed under section 3 of the Natural Gas Act (NGA), as amended by section 201 of the Energy Policy Act of 1992. Protests, motions to intervene, notices of intervention, and written comments are invited.

DATES: Protests, motions to intervene or notices of intervention, as applicable, requests for additional procedures, and written comments are to be filed at the address listed below no later than

4:30 p.m., eastern time, (INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION OF THIS NOTICE IN THE FEDERAL REGISTER).

ADDRESSES:

U.S. Department of Energy (FE-34)
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy
Forrestal Building, Room 3E-042
1000 Independence Avenue, S.W.
Washington, D.C. 20585

FOR FURTHER INFORMATION CONTACT:

Larine Moore or Marc Talbert
U.S. Department of Energy (FE-34)
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy
Forrestal Building, Room 3E-042
1000 Independence Avenue, S.W.
Washington, D.C. 20585
(202) 586-9478; (202) 586-7991

Edward Myers
U.S. Department of Energy
Office of General Counsel
Fossil Energy and Energy Efficiency
Forrestal Building, Room 6B-159
1000 Independence Ave. S.W.
Washington, D.C. 20585
(202) 586-3397

SUPPLEMENTARY INFORMATION:

Background

Sempra, a Delaware limited liability company, is a wholly-owned subsidiary of Sempra LNG, a Delaware corporation. Sempra LNG, through its other subsidiaries, owns and operates LNG receipt and storage terminals in North America, including the Cameron Terminal in Cameron Parish, Louisiana.

Sempra is engaged in the business of purchasing and marketing supplies of LNG. Sempra is a customer of the Cameron Terminal. On June 22, 2010, FE issued DOE/FE Order No. 2806, which granted Sempra blanket authorization to import LNG from various international sources for a two-year period commencing on September 1, 2010.

Current Application

In the instant application, Sempra is seeking blanket authorization to export LNG from the Cameron Terminal that has been previously imported into the United States from foreign sources. Sempra requests this authority over a two-year period in an amount up to 250 billion cubic feet (Bcf) of natural gas. Sempra requests the blanket authorization provide for export to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy.

Sempra states it uses its blanket DOE/FE LNG import authorization and its capacity in the Cameron Terminal to receive, store and send out to domestic markets cargoes of LNG that have been imported from foreign countries. Sempra states that its requested blanket export authorization would provide Sempra the additional option of exporting volumes of foreign-sourced LNG that are not needed to service the domestic market. Sempra states that it is not proposing, and is not seeking authorization to export any domestically produced natural gas or LNG. This application seeks authorization only to export LNG that has been previously imported into the United States.

Sempra asserts that no facility modifications or additions are required in order for Sempra to export foreign-sourced LNG from the Cameron Terminal. FE takes notice that on September 3, 2010, Cameron LNG, LLC, the owner and operator of the Cameron Terminal, filed a petition under section 3(a) of the NGA with the Federal Energy Regulatory Commission to amend the

authorizations issued September 11, 2003, in Docket No. CP02-378-000 for the additional purpose of exporting foreign-sourced LNG.

Public Interest Considerations

Sempra states that the requested blanket export authorization will allow Sempra to purchase LNG at prevailing international prices for import to the United States, even when prices in other markets may be higher, by giving it the ability to store LNG at the Cameron Terminal and later sell it in the most competitive market. Sempra states that this ability to react to changing market conditions by either importing LNG for sale in the United States or importing LNG for subsequent export to other markets will enhance the potential supply and moderate the price of natural gas in the U. S. market. Sempra states that when natural gas supplies are in balance with domestic demand, LNG will be imported and used to supplement domestic natural gas supplies. Sempra states that when there is a surplus of domestic natural gas supplies, as at the present time, there will be the opportunity to import LNG with the ability to later export it to serve other markets. Sempra states that since only foreign-sourced LNG would be exported, the authorization would not negatively affect the availability of domestic natural gas supplies.

In support of its application, Sempra states that Section 3 of the NGA provides that applications to export natural gas to foreign countries will be authorized unless there is a finding that such exports “will not be consistent with the public interest.”¹ Sempra states, in reviewing an export application, FE applies the principles set forth in DOE Delegation Order No. 0204-111, which focuses primarily on the domestic need for the gas to be exported and the Secretary of Energy’s natural gas policy guidelines.² Sempra states that DOE/FE has recently issued blanket

¹ 15 U.S.C. 717b

² See 49 Fed. Reg. 6684, February 22, 1984.

LNG export authorizations to other applicants, in each case finding that existing domestic supplies are sufficient to serve U.S. markets, without reliance on imported LNG supplies.

Sempra states that in DOE/FE Order No. 2795, which granted Cheniere Marketing, LLC (Cheniere) blanket authorization to export previously imported foreign-sourced LNG, FE found that “United States consumers presently have access to substantial quantities of natural gas sufficient to meet domestic demand from multiple other sources at competitive prices without drawing on the LNG which [Cheniere] seeks to export.”³ Sempra also states that in support of that finding, DOE/FE cited, among other sources, both the DOE 2010 Annual Energy Outlook and additional independently produced publicly available data. Sempra states that in light of the sufficiency and diversity of domestic supplies, and the benefits described above that would result from the ability to export foreign-sourced LNG, Sempra states the requested blanket authorization is consistent with the public interest.

Environmental Impact

Sabine states that no new facilities or modification to any existing facilities at the Cameron Terminal would be required in order for Sempra to export LNG from that facility. Sempra asserts that exports of LNG from the Cameron Terminal also would not increase the number of LNG carriers that the Cameron Terminal is designed and authorized to accommodate. Finally, Sempra states that approval of this application would therefore not constitute a federal action significantly affecting the human environment within the meaning of the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321 *et seq.*

DOE/FE Evaluation

³ *Cheniere*, DOE/FE Order No. 2795, June 1, 2010 at 7.

This export application will be reviewed pursuant to section 3 of the NGA, as amended, and the authority contained in DOE Delegation Order No. 00-002.00I (Nov. 10, 2009) and DOE Redelegation Order No. 00-002.04D (Nov. 6, 2007). In reviewing this LNG export application, DOE will consider domestic need for the natural gas, as well as any other issues determined to be appropriate, including whether the arrangement is consistent with DOE's policy of promoting competition in the marketplace by allowing commercial parties to freely negotiate their own trade arrangements. Parties that may oppose this application should comment in their responses on these issues.

NEPA requires DOE to give appropriate consideration to the environmental effects of its proposed decisions. No final decision will be issued in this proceeding until DOE has met its NEPA responsibilities.

Public Comment Procedures

You may submit comments in electronic form on the Federal eRulemaking Portal at <http://www.regulations.gov>. Follow the on-line instructions. Submit comments under FE Docket No. 10-110-LNG. DOE/FE suggests that you carefully review information provided in your submission, and include only information that you want publicly disclosed. You may not electronically file a protest, motion to intervene or notice of intervention, but may do so using the following process to submit these filings.

In response to this notice, any person may file a protest, motion to intervene or notice of intervention and written comments, as provided in DOE's regulations at 10 CFR part 590.301, *et seq.* Any person wishing to become a party to the proceeding and to have their written comments considered as a basis for any decision on the application must file a motion to intervene or notice of intervention, as applicable. The filing of a protest with respect to the application will not serve to

make the protestant a party to the proceeding, although protests and comments received from persons who are not parties will be considered in determining the appropriate action to be taken on the application. All protests, motions to intervene, notices of intervention, and written comments must meet the requirements specified by the regulations in 10 CFR part 590. Protests, motions to intervene, notices of intervention, requests for additional procedures, and written comments shall be filed with the Office of Oil and Gas Global Security and Supply at the address listed above.

A decisional record on the application will be developed through responses to this notice by parties, including the parties' written comments and replies thereto. Additional procedures will be used as necessary to achieve a complete understanding of the facts and issues. A party seeking intervention may request that additional procedures be provided, such as additional written comments, an oral presentation, a conference, or trial-type hearing. Any request to file additional written comments should explain why they are necessary. Any request for an oral presentation should identify the substantial question of fact, law, or policy at issue, show that it is material and relevant to a decision in the proceeding, and demonstrate why an oral presentation is needed. Any request for a conference should demonstrate why the conference would materially advance the proceeding. Any request for a trial-type hearing must show that there are factual issues genuinely in dispute that are relevant and material to a decision and that a trial-type hearing is necessary for a full and true disclosure of the facts.

If an additional procedure is scheduled, notice will be provided to all parties. If no party requests additional procedures, a final Opinion and Order may be issued based on the official record, including the application and responses filed by parties pursuant to this notice, in accordance with 10 CFR 590.316.

The application filed by Sempra is available for inspection and copying in the Office of Oil and Gas Global Security and Supply docket room, 3E-042, at the above address. The docket room is open between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays. The application and any filed protests, motions to intervene or notice of interventions, and comments will also be available electronically by going to the following DOE/FE web address: <http://www.fe.doe.gov/programs/gasregulation/index.html>. In addition, any electronic comments filed will also be available at: <http://www.regulations.gov>.

Issued in Washington, D.C., on September 23, 2010.

A handwritten signature in black ink, appearing to read "John A. Anderson". The signature is fluid and cursive, with the first name "John" being more prominent and the last name "Anderson" following in a similar style.

John A. Anderson,
Manager, Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy